



# **Governor Kaine's 400,000-acre Land Conservation Goal**

Senate Finance Committee

Subcommittee on Natural Resources and  
Economic Development

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Nikki Rovner, Deputy Secretary of Natural Resources



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# Overview



- The goal
- The state programs that will get us there
- How much will it cost?
- Additional steps we're taking



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# **Conserve 400,000 Acres**

## **Overarching Natural Resources Goal**

- Benefits for
  - Agriculture and Forestry Industries
  - Water quality
  - Recreation
  - Wildlife habitat
  - Ecotourism and heritage tourism
  - Air quality



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# **Conserve 400,000 Acres**

## **Abating threats to Virginia's rural heritage**

- Over the past decade, Virginia has lost over 60,000 acres a year to development.
- This is approximately 165 acres per day (188 acres per day in the Chesapeake Bay watershed).
- The USDA estimates that we lose over 20,000 acres of prime farmland each year to development.



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# Conserve 400,000 Acres

## Broad Public Support

### 2006 Virginia Outdoors Survey

- “Should the state spend public funds to prevent the loss of exceptional natural areas to development?” YES: 78%
- Importance of protecting Virginia’s natural and open space resources?, 95% said it was either “very important” (67%) or “important” (28%).
- 70% of those surveyed said they favored outright purchase from willing sellers as an appropriate tool for conserving open space



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# Conserve 400,000 Acres

## What does it mean?

Land conservation = acquisition

- Acquire what?
  - Fee simple
  - Conservation Easements
- Who acquires?
  - State and federal agencies
  - Private land trusts
  - Local governments
- Acquire how?
  - Purchase
  - Donation (land preservation tax credit is important here)



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# Conserve 400,000 Acres

## Why 400,000?

- Chesapeake 2000 goal: permanently protect 20% of the watershed
- PA and MD have already achieved this goal
- December 2005 Virginia Land Conservation Foundation report: VA had 358,000 acres to go
- 400,000 acres statewide means that we will exceed C2K goal and protect lands in Southside and Southwest Virginia



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# State programs that will get us there

- Virginia Land Conservation Foundation
- Office of Farmland Preservation
- Virginia Outdoors Foundation



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# State programs:

## VA Land Conservation Foundation

Competitive matching grant program  
for individual projects

- Eligible: state agencies, local governments, nonprofits
- Grant applications are ranked by an interagency team
- Grants awarded by a Board of Trustees



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# State programs:

## VA Land Conservation Foundation

### Virginia Land Conservation Foundation

- Statutory formula
  - 75% split among 4 categories
    - Open spaces and parks
    - Farm and Forest Land
    - Natural areas
    - Historic resources
  - 25% to Open Space Lands Preservation Trust Fund
    - Administered by VOF to assist landowners
    - Available for local government projects



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# State programs:

## VA Land Conservation Foundation

### Virginia Land Conservation Foundation (continued)

- \$12.5 million in FY 06
  - In \$10 million grant round VLCF received \$30 million in requests
- \$2.5 million in FY 07 & 08



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# State programs:

## Office of Farmland Preservation

### Office of Farmland Preservation

- Model Purchase of Development Rights program.
- Proposed to provide matching funds to localities for PDR programs on a noncompetitive basis.
- Has not yet been funded.

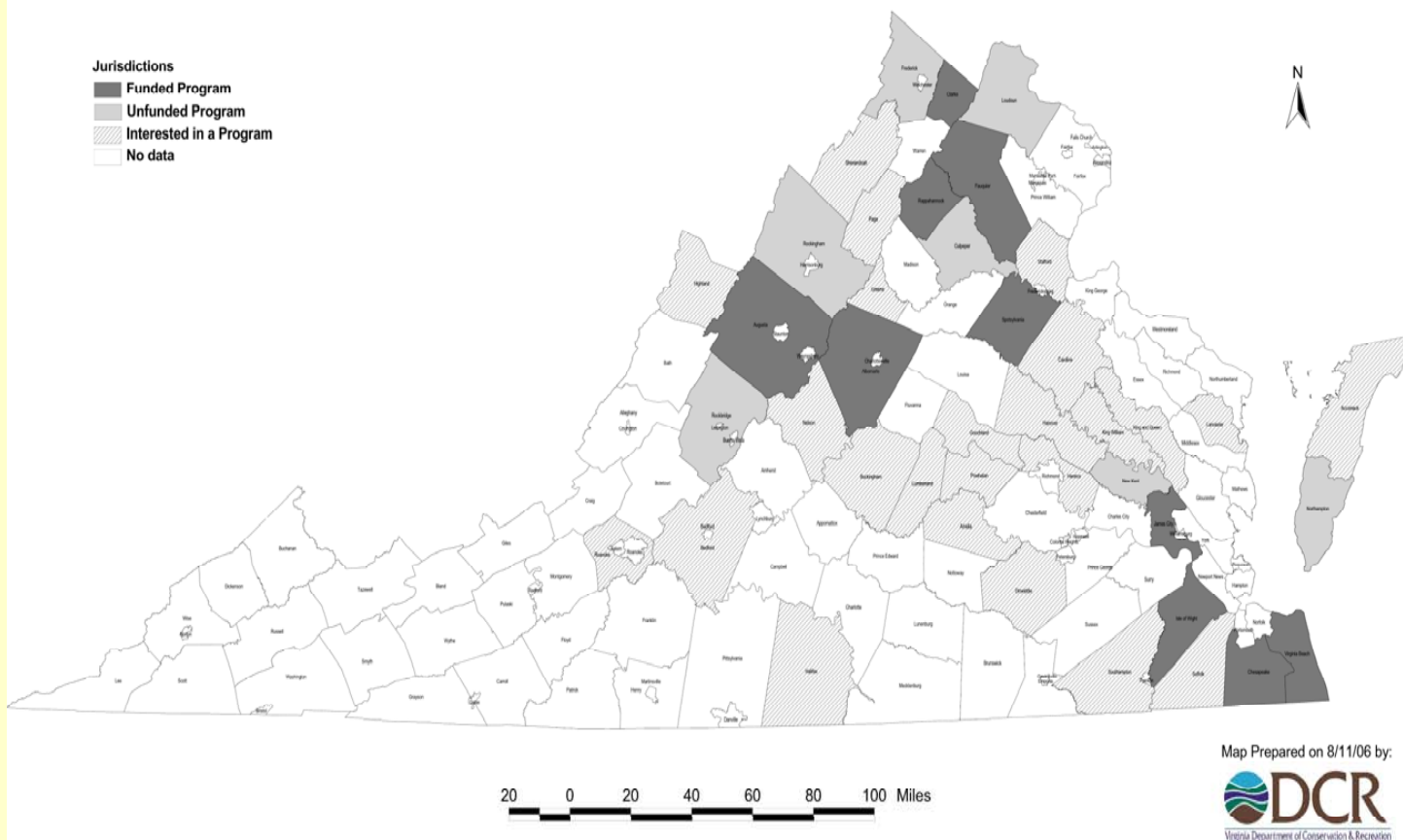


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# Interest in PDR programs

Status of PDR Programs in Virginia



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# State programs:

## Virginia Outdoors Foundation

### Virginia Outdoors Foundation

- Since 1966
- Primarily accepts donated conservation easements
- 330,000 acres under easement
- 1900 properties
- Rate of donations has accelerated significantly because of land preservation tax credit—193,000 acres in last 6 years



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# Summary: state programs

- VLCF: competitive, statewide priorities, leverages private and federal investment
- Local PDR programs, funded through Office of Farmland Preservation:
  - Preservation of rural character
  - Focus is usually on working landscapes
  - Protection of agricultural economy
  - Can be a growth management tool
- VOF: long history, cost effective, landowner-driven, fueled by tax credit



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# How Do We Get There From Here?

- Acreage protected in FY 06: 65,764
- Average number of acres protected each year: 56,000
- This is from all sources: state, private, federal, local (including land preservation tax credit)
- $(56K \times 3.5 \text{ fiscal years}) + 65,764 = 261,764$
- This is how far we'll get without doing anything different
- Gap: 138,236 acres



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# How much will it cost?

- Gap: 138,236 acres
- Assumption: 80% easement; 20% fee acquisition
- Both require perpetual stewardship
- DCR average for fee acquisition: \$6000 per acre
- $27,647 \text{ acres} \times \$6000 = \$165 \text{ M}$
- Estimating easement costs is trickier





# How much will it cost?

- Estimating easement costs
  - VLCF conservation easement projects: \$2037 per acre median (19 projects)
  - PA average for PDR programs statewide: \$3291 per acre for 2006 (233 projects)
  - Land preservation tax credit average for small donations: \$2660 per acre (1026 projects)
  - Local governments are seeing a range
- Using 2700 per acre x 110,589 acres = \$299 M





# Possibilities for reducing cost to the Commonwealth

- State share is usually only half
  - VLCF makes 50% matching grants (exception: state agency projects)
  - Office of Farmland Preservation will also make matching grants
- Increased federal funding
  - Trend in overall programs is down, but additional state funding will mean we have more match available
- Improved federal income tax deduction for tax years 2006 and 2007
- Prospects for 1 or 2 large transactions with a discount



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# Neighboring states: spending on land conservation



- Maryland
  - 2002: \$175.5M
  - 2003: \$100.1M
  - 2004: \$76.7M
  - 2005: \$39.4M
- North Carolina
  - 2001: \$68.5M
  - 2002: \$97.77M
  - 2003: \$133.3M



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# Additional steps

- Partnership with State Bar and other professional organizations
  - Training
  - Awareness
- Landowner outreach, large and small
- Agency and land trust capacity



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# Questions?

[www.naturalresources.virginia.gov](http://www.naturalresources.virginia.gov)



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